

ANALYSIS OF THE STRATEGY AND OF THE LEVEL OF CONSUMER SATISFACTION REGARDING AN BAKERY COMPANY

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***Abstract:** Strategic management is a form of predictive management focused on anticipating changes and changes to be made within the firm. Under market economy conditions, each firm, irrespective of its ownership, profile or size, needs to constantly adapt to market and environmental requirements in which it operates, to improve its economic and financial performance and its ability to compete in the report with other companies. This paper presents a research on the analysis of the diversification strategy of the product according to which that the company is constantly improving its existing products and increasing its product portfolio from year to year in order to maintain market leadership and consumer satisfaction with its products.*

Keywords: Firm strategy, Consumer satisfaction, Market research.

JEL Classification Codes: L10.

1. INTRODUCTION

The market strategy aims at putting the firm in touch with the market and exploiting its opportunity. The variants of the market strategy encountered in practice cover a wide range, the most important of which are: diversification strategy, development strategy, growth strategy, differentiation strategy.

Through its diversification strategy, Vel Pitar is constantly improving its existing products and increasing its portfolio of products from year to year in order to stay on the market and to respond to the pretentious consumer demands. Also, through this strategy, it has developed all factories using modern technology lines, being the only company that uses Keine Touch technology, that is, the consumer is the first person to reach the product. Through its development strategy, Vel Pitar aims to maximize turnover by increasing production and gaining a competitive cost advantage. The company is not only confined to adapting its products and services to market requirements but is trying to create demand for the products it produces and to anticipate consumers' requirements.

Growth strategy that Vel Pitar is a booming company has, over time, embedded new products by increasing its market share, turnover, and investing considerable amounts in the prospects of sustainable development.

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Through the differentiation strategy adopted, Vel Pitar tries to become unique on the milling and bakery products market by trying to satisfy certain needs that buyers consider important and unlike competition to provide better service.

2. LITERATURE REVIEW

The current global context puts the business world in a situation of great complexity, so organizations need to define and implement an appropriate strategy (Moisii & Târziu, 2012).

Nowadays, business strategies are based on the same techniques, such as: identifying strengths and weaknesses, limiting the competitor's field of maneuver, concentrating resources, attacking and conquering a new market share, positioning correctly on that market, reorganizing and maintaining leadership (Tanțau, 2011).

The strategy refers to a company's overall conduct and long-term policy, differentiating itself from short-term goals and daily activities. Therefore, a company's strategy refers to its long-term goals and the means by which objectives are pursued (Țuclea, 2003).

R. Lynch believes the mission of an organization "summarizes the directions the organization should follow and follow in the future, briefly mentioning the values and rationale underpinning them." (Lynch, 2002).

The mission statement of an organization contains three elements: a general expression of the vision; an indication of the fundamental values assumed by the organization's top management; an articulation of the organization's strategic objectives. (Brătianu, 2000). Goal setting refers to two categories of issues: financial and strategic overcoming competitors through innovation and quality (Țuclea, 2003).

A very important aspect is the degree of leadership involvement in implementing the strategy and effectively engaging all staff in the process. (Wells, 2017). The strategic management system will not deliver good results if the strategy is not defined by a set of operational objectives and appropriate measures that are clearly understood by all levels (Bădulescu & Bădulescu R, 2011).

Two knowledge processes are essential for any company: knowledge generation and knowledge application. So, as knowledge management analyzes knowledge processes, a company is an institution that has as its main function the generation and use of knowledge (Grant & Nippa, 2006).

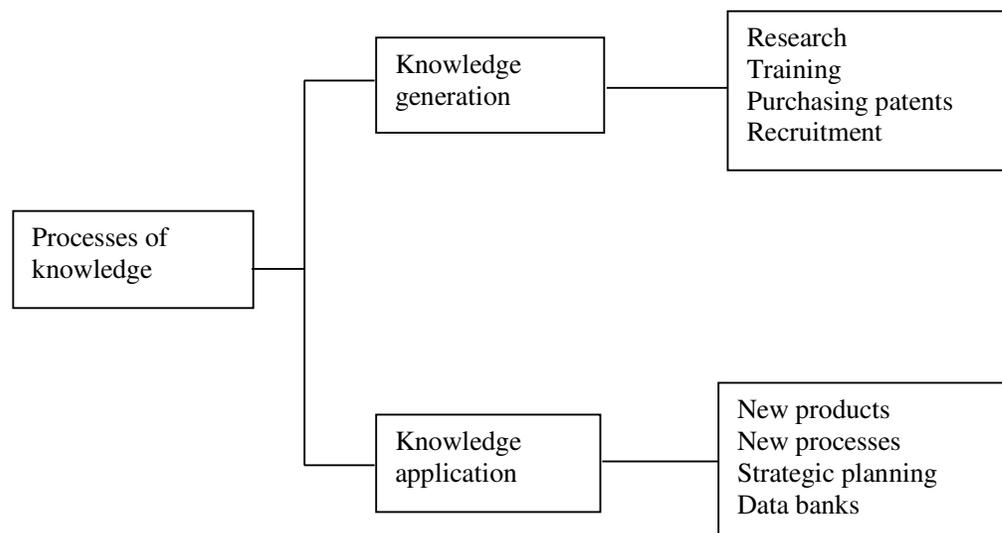


Fig. 1. Processes of knowledge within a company (Source: Tanțau, 2011, p.90)

Development strategies involve maximizing business figures, increasing production and gaining a competitive cost advantage. These companies are not confined to adapting their products and services to market requirements but are trying to create demand for the products they manufacture and to anticipate consumers' requirements (Istocescu, 2005).

Development strategies can be applied by conquering new markets and developing new products. Brand image is the key driver of brand equity, which refers to consumer's general perception and feeling about a brand and has an influence on consumer behavior (Yi Zhang, 2015). The effects of physical quality and lifestyle-congruence on brand loyalty are fully mediated by consumer satisfaction (Janghyeon Nam et al., 2011).

3. RESEARCH METHODOLOGY

The main study objective is the market research of consumer satisfaction regarding the diversification of Vel Pitar's product range with the introduction of a new assortment. The diversification of Vel Pitar's product range is achieved through the diversification strategy that the company constantly improves its existing products and increases its product portfolio from year to year in order to maintain a leading market in bakery products and to respond as much as possible to consumers' pretentious requirements. For this research, we chose the questionnaire as a method of collecting the information and the responses were recorded for each individual using the online application method. The questionnaire is structured in two parts: the first part includes closed questions among them, one is a filter question, and the second part contains questions to identify the respondents. For this research I chose "Bread Whole Wheat" as a product, because it is the newest product of Vel Pitar. The research objectives are:

- Percentage of consumers of bakery products;
- Measuring the degree of notoriety of the bread product "Whole Wheat";
- Future intentions of consumption of bread "Whole Wheat";
- Consumer motivations;
- Consumer attitude towards quality, promotion, packaging, price;
- Frequency of consumption;
- Distribution of consumers according to identification variables.

The size of the sample is 100 persons, women and men from Pitesti, aged between 14 and over 45, and the structure of the sample is random.

4. INTERPRETATION OF THE RESULTS

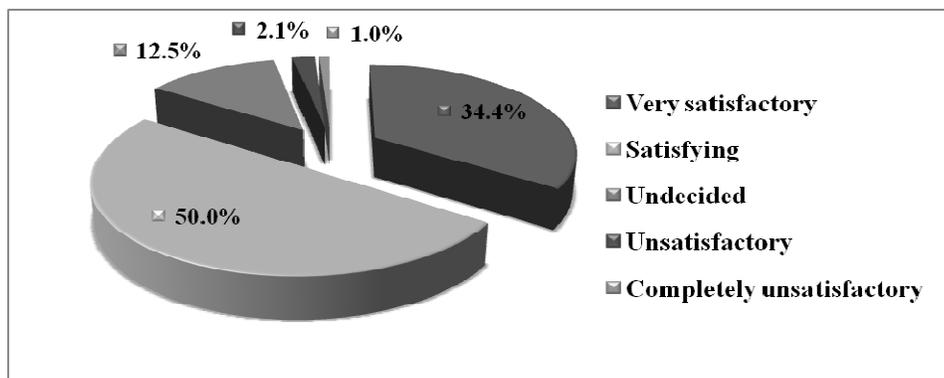


Fig. 2. Consumer opinion on the notoriety of the bread product "Whole Wheat"

Regarding the "Whole Wheat" bread's reputation, the biggest share is satisfied consumers 50%, followed by the very satisfied with 34.4% and 12.5% were neither satisfied nor dissatisfied. Only 2.1% of consumers were unsatisfied and 1% were completely unsatisfied. The notoriety of the bread "Grow Whole" is due to the lack of focused advertising on this product.

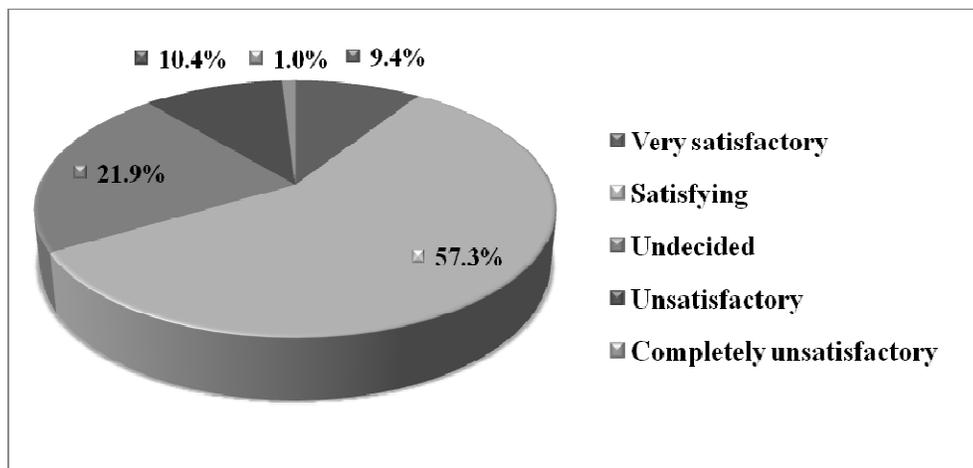


Fig. 3. Product price

The price of whole wheat bread is very favorable for 9.4% of respondents, favorably for 57.3%, regardless of 21.9%, unfavorable for 10.4% and very unfavorable for 1%. It can easily be noticed that the largest share of 57.3% is held by consumers who consider the price to be favorable, with a very large difference compared to those who consider the price very favorable (only 9.4%), which shows that the price of the product is not very small but slightly higher. This may be due to low incomes to the average of the respondents in Pitesti.

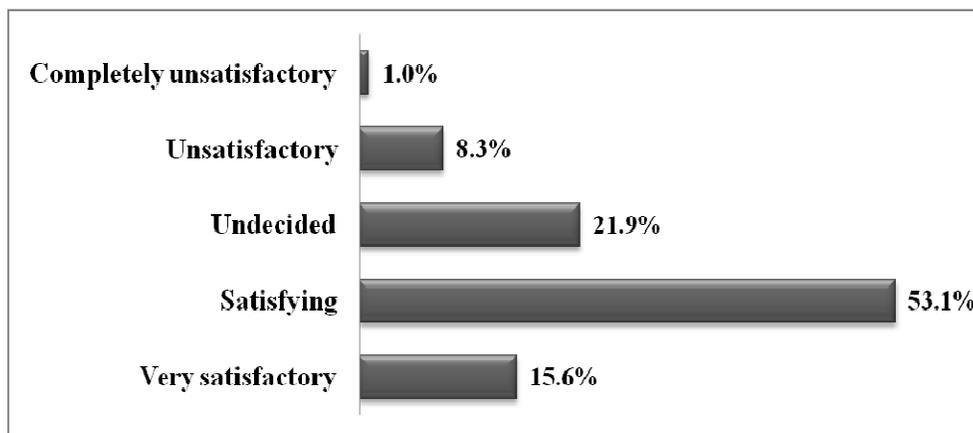


Fig. 4. Consumer opinion on how to promote the product

The majority of consumers 53.1% consider satisfactory the promotion of "Whole Wheat", 15.6% consider it very satisfactory, 21% consider it neither satisfactory nor unsatisfactory, 8.3% think it is unsatisfactory and only 1% completely unsatisfactory. Under the policy of promoting a bakery firm, media advertisements must occupy a very important place and sometimes address different age and social categories, create favorable images, incite consumption and suggest

interest for the welfare of the consumer. The way the product is promoted is very important for consumers as it causes them to consume the product.

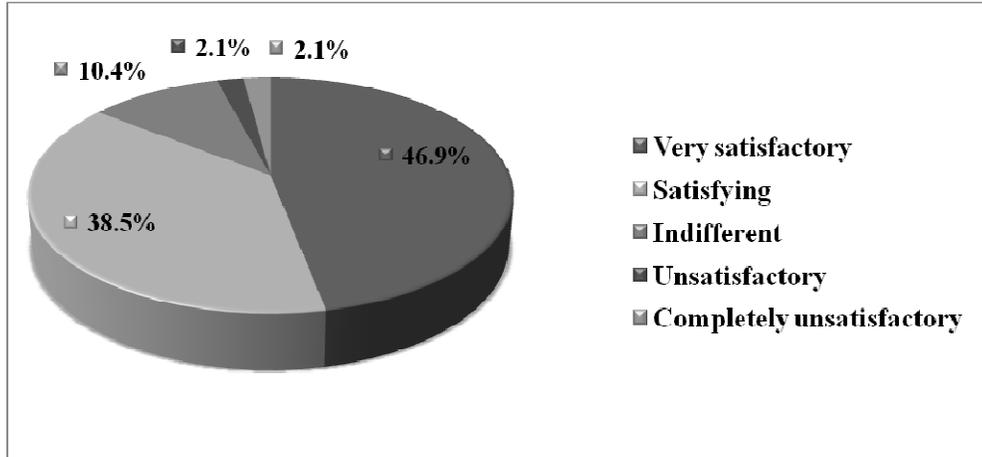


Fig. 5. Consumer opinion on product quality characteristics

In Romania, bread consumption is at a high level, with a good perception of the brand, with people evolving in understanding the role of the brand in every field. Vel Pitar is the most famous bakery and pastry company, and the financial effort that the company has made to invest in new technologies reflects the undeniable quality of its products. The quality characteristics of Whole Wheat bread (color, taste, odor, appearance) are perceived by 46,9% of respondents as very favorable, 38,5% favorable, 10,4% indifferent and 2,1 % unfavorable and very unfavorable.

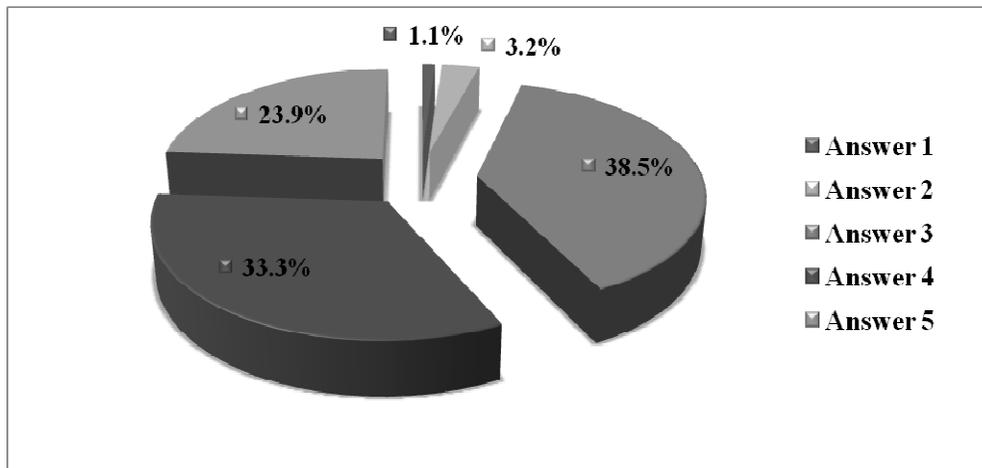


Fig. 6. The influence of the packaging on the purchase of the product (on a scale of 1 to 5)

Although Vel Pitar invests a lot in the quality of its products and packaging is an essential element, respondents are not the most affected by the packaging. Because competition is high, an interesting and colorful packaging draws the attention of buyers, especially in hypermarkets or supermarkets where there is a huge offer of this type of product. The packaging of Vel Pitar products has a modern and attractive design, each pack containing a suggestive image of the product inside. The color used in marketing activities is of particular importance. The red used for the classic variants of all product ranges is a dynamic color that attracts attention and opens the appetite, the green used for French Toast Rye and Whole Wheat, symbolizes balance and

sends thought to the idea of natural and healthy, while the orange and the yellow used for the Graham and French Toast Seeds, symbolize energy and strength.

By analyzing the symbolism of these colors, we realize that they have been very well chosen to convey exactly the characteristics of the products and what benefits they will bring to consumers.

After applying the questionnaire, it is noted that the packaging has an average influence of 38.6% on the purchase of the product desired by the consumer.

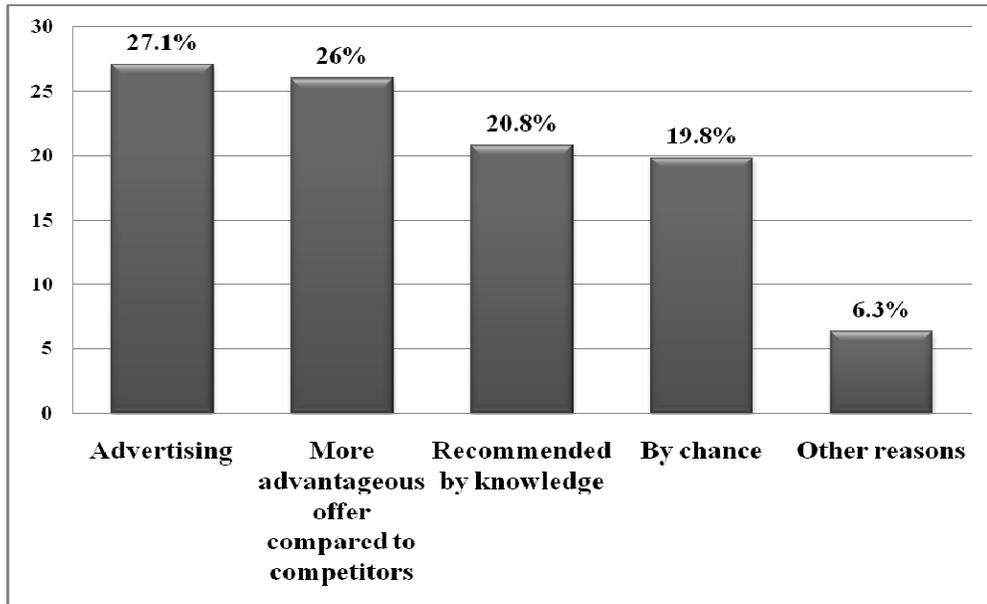


Fig. 7. Reason for purchasing this product by consumers

As we can see, the main reason for buying the bread product "Whole Wheat" is advertising with a weight of 27.1%. 20.8% of consumers responded that the reason for the purchase was the recommendation of knowledge, 19.8% purchased the product by chance and 6.3% for other reasons.

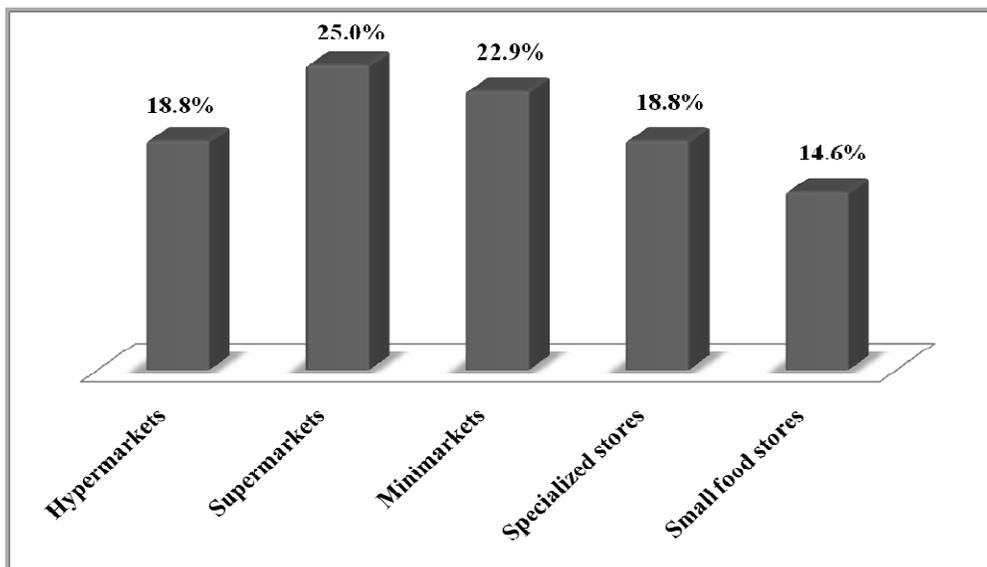


Fig. 8. The places where the product is purchased

The places where consumers buy the product are 25% supermarkets, followed by 22.9% mini markets, hypermarkets and specialized stores each have 18.8% and small food stores 14.6%. It can be said that respondents prefer to shop mainly in nearby shops, be they supermarkets, minimarkets because of their small distance to dwelling, but also the quite diversified range present in these shops.

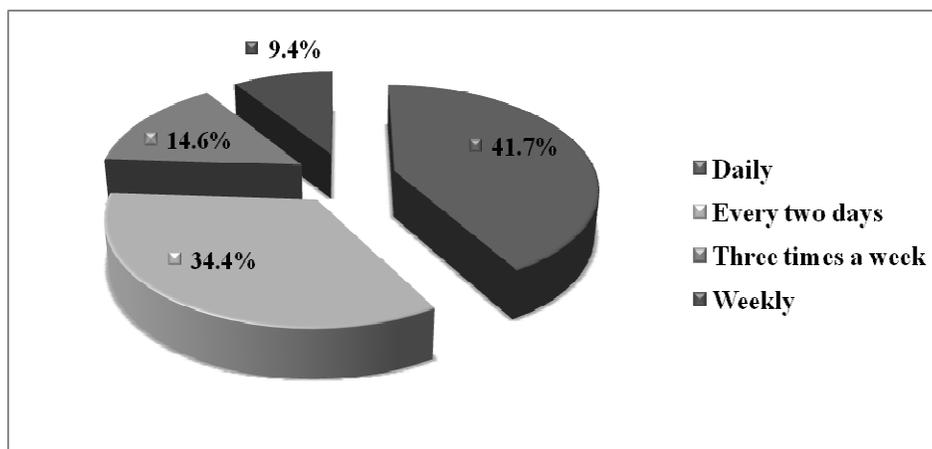


Fig. 9. The time at which the product is purchased

Over the years, Romanians have a high level of bread consumption, observing that 41.7% of respondents buy daily bread "whole wheat", 34.4% every two days, 14.6% of three times a week, and 9.4% purchase weekly.

Due to the fact that the research was done online, the highest number of people is aged between 14 and 35. Among the persons who completed the questionnaire, women have a majority weight of 58%, compared to men with a weight of 42%. Dominant is the middle income class, between 800-1500 RON with 47%, followed by the low-income class, below 800 RON with 41% and the last holding 12% is the high income class over 1500 RON.

5. CONCLUSIONS

Vel Pitar has made massive investments in modern and innovative technologies to provide customers with the highest quality products. The concern of the company with consumers' needs and requirements is confirmed by constant market analysis and consumer preferences, both at local and national level.

According with our research, we recommend to be improved the following steps:

- Maintaining interest in changing trends in the bread and bakery products market;
- Maintaining the quality structure by using the highest quality raw materials;
- The strategy of maintaining the range of packaged bakery products, as Vel Pitar is the leader in this market;
- Maintaining the local specificity of product diversity;
- Diversification of the range of semi-finished products.
- Inserting recipes for packaged products. These small details are of great effect to consumers.
- Maintaining low commodity prices as they are consumer goods, a basic need for consoles. Low prices attract new customers and determine the loyalty of old customers;
- The adoption of pricing policy and the entry of new products;

- Continuing social responsibility actions;
- Expansion on foreign markets. The markets concerned are those in Ukraine, Bulgaria and Moldova, because they have peculiarities similar to those of the Romanian market, as well as markets in Italy, Spain, France, where a large number of Romanians are concentrated;
- Exporting traditional Romanian bakery products and pastries to countries where there are large Romanian communities.

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